

OPEN MEETING

Roll Call taken by Mayor Thomas Voorhis

Kelly Petty PRESENT, Dennis Roe PRESENT, Richard Icenhower PRESENT, Mark Stewart PRESENT, Ben Lord PRESENT, Sherry Veach PRESENT

Call to order at: 6:00 p.m.

Approve Agenda. Motion by Roe to approve agenda. Seconded by Veach
Petty AYE, Roe AYE, Icenhower AYE, Stewart AYE, Lord AYE, Veach AYE

New Business

DISCUSS AND/OR APPROVE PRE-PAYMENT OF TAX LEVY

Larry Brown (City Treasurer) – Back in 2008, the city issued general obligation bonds. At that time, they set the rates as far as how much the payment should be and the levy should be so that the city could afford to pay the debt back. Since that time, the city has grown a lot and the tax valuation has grown. Now every year, we get more money in taxes than the general debt. Every year, you owe \$17,000 over that as far as principal less the interest. We've been collecting, back years ago, \$17,000. Well now we're collecting \$25,000 or \$26,000. The state statute only allows you to have so much money in the bank towards debt payments. So what we do is, they do a calculation, we do a calculation and they say you can have this years principal payment and the following years principal and interest payments plus the 10% fee. That's as much as you can have in the bank. If you have more than that with the calculations through December 31st, they don't let you levy a tax. We normally do a \$.11 tax every year to get your \$25,000 or \$26,000, we're going to back that down to where this year you can only assess \$.07 and only get \$10,000 to eat up some of those funds. So that we don't change the levy every year and go up and down, up and down for all of your property owners, what we do is if there's excess money there, we pre-pay the bonds. We've done that the last two years. We paid \$40,000 two years ago to get the cash balance down. We paid another \$25,000 last year and this year we will need to pay another \$17,000. That means it's prepaying. It's prepaying the next three payments. \$17,000 divided by three that means we'll have about \$4,000 less than they allow each year so we can continue to pay if off quicker. In the past, the Board said okay, great, let's do it. I thought it was necessary that you all know what we're doing and that you agree because it's your decision. You could decide not to pre-pay the bond and only assess the \$.07 levy and only get \$10,000 from taxpayers this year. Then next year, it would have to go back up to \$.11 and it's just a fluctuation. The other issue is that sometime down the road here, in the next 2 or three years, and I've talked to Dennis about it, you will have the opportunity to pass another bond issue without another increase to keep that \$.11 steady through and issue another \$200,000, \$300,000 or \$400,000 bonds for projects that you need in town. So if we start dropping this levy down, \$.07, \$.05 and \$.02 you can't do your no tax increase bond issue. Any questions on that?

Petty – When we prepay the bonds, does it lower the amount of interest we have to take out?

Brown – Yes. They do a whole new schedule. United Missouri Bank holds the bonds but it's through the Department of Natural Resources that got the issue done back in 2008. They redo the whole schedule.

Icenhower – Well what we prepay goes towards the principal, right?

Brown – Yes.

Icenhower – All of the prepayment goes toward the principal?

Brown – They do not redo the interest rate. It's set. It's what it was in 2008 so they don't really lower it or increase it. You owe a little bit over \$70,200 right now, which is do in the next three years. This will get \$17,000 out of the way.

Roe – And the prepayment amount is \$17,000?

Brown – I calculated it, if you want to keep the levy the same as it was last year, the prepayment will need to be \$17,000. It does not have to be done by September 1. We just got the notice from the state here a couple of days ago so that we could do some calculations. As long as we prepay the bonds by December 31st. We just have to tell the county that this is our balance as of December 31st.

Icenhower – We need to get this done before our tax levy hearing Tuesday.

Brown – You need to get it approved that you're going to do it.

Icenhower - Yes.

Brown – As far as when do we give the money to United Missouri Bank, it just has to be any time between now and December 31st.

Roe – Larry, you said the full amount due is \$70,200 through the next, how many years?

Brown – Three.

Motion by Icenhower to approve pre-payment of \$17,000 towards our General Obligation Bond.
Seconded by Veach
Petty AYE, Roe AYE, Icenhower AYE, Stewart AYE, Lord AYE, Veach AYE

DISCUSS AND/OR APPROVE LEGAL FEE BUDGET

Roe – I'm going to speak towards that. The Mayor and I talked about this a few days ago. We have \$20,000 budgeted for this fiscal year and I had a couple of people ask me where are we at towards that because we still have the attorney coming to every Aldermen board meeting. Between Sara and Larry, I got the invoice total as of Friday, August 16th last week. We are at \$7,622.56. So that's a little more than a third of what we've budgeted for. I don't think we made it clear that we're going to cut back on inviting the attorney to our meeting and Thomas and I had that discussion and he's on board with that. Because of that, another question came up. Who is legally entitled to reach out to the attorney and you have that document in front of you. If you look at Section 115.130 "*The Mayor or majority of the Board of Aldermen may call upon the*

City Attorney for an oral or written opinion on any question of law as it may affect the conduct of City activities. The City Attorney shall also advise City Officials on legal matters at the attorney's discretion." So that's pretty black and white and I honestly didn't know this was in the ordinance until recently. City officials, it's basically those appointed by ordinance by the Board and that's the Clerk and the Treasurer. The Police Chief is appointed but not by ordinance. The purpose of reviewing this is for clarification of whose authorized and they way that I have been doing it as President of the Board, technically I need a majority of the Board to reach out to the attorney, what I've been doing when I had a question, and it's happened a couple of times, I talk to Sara and she says Dennis, that's a good question, I have some items I need to talk to the attorney about also, so she combines it into one phone call so we don't have two different phone calls. If I remember correctly, if you talk less than 15 minutes, it's by the quarter hour for a phone call. So that's one way I kind of watch the time. With that said, the process for when do we invite the attorney to our meetings, Thomas and I talked about that a few days ago and what we are recommending is that Thomas and I would review the agenda when it comes out and based on the agenda, if we see that it's pretty clear cut, then we opt not to invite the attorney. If we think there could be questions, we need legal assistance, we invite the attorney. Instead of having the attorney here every meeting.

Veach – We didn't used to have the attorney here every meeting.

Roe – That's a very good point.

Veach – And what we did in years passed was if we needed the attorney here was we went through our City Clerk and the City Clerk did all of the communication with the City Attorney. Nobody else reached out to the City Attorney.

Icenhower – Well I think also there needs to be a consensus of the Board on whether we need the attorney or not.

Roe – Well not a consensus but a motion.

Veach – And we used to do that.

Icenhower – We went for years with Housley and he never came to a meeting unless we invited him. A lot of times, if we had an issue, we would ask an opinion on and he would send it on paper.

Veach – Yes. When I was on the Board before, very seldom did he ever show up.

Icenhower – I could probably count on one hand the number of times he's ever been to a council meeting.

Veach – I'm going back years ago when Genie and I were on. He never showed up. We always went through the channels where if we needed somebody to talk to him, it was our City Clerk that did the contacting and went that route.

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Roe – With that said, the Mayor doesn't need a consensus of the Board to reach out but if he solicits the input of the President of the Board and if there's something there that I'm questioning, I'll contact you all individually.

Lord – That's my question, Dennis. What happens when you and Tommy disagree?

Stewart – I was wondering the same thing.

Lord – When Tommy says I want the attorney here and you say no, I don't think we need the attorney here, then what?

Veach – Well that's the consensus of the Board.

Icenhower – The consensus of the Board needs to be involved here.

Roe – We can address that by saying we have to agree in a motion that it's by agreement between Thomas and I. Thomas and I, we have talked a number of times about past issues and we're pretty much on the same page. Most of the time, I wouldn't say 100%, but most of the time we're on the same page.

Veach – When there's not an agreement, that needs to go before the Board and the Board makes the decision.

Roe – Well, the problem is that we don't know the agenda items until it's all put together.

Veach – True. But in times passed, when it was an agenda item then if there was something that we couldn't decide on, then that was pushed off to the next meeting. That's the way it was done before.

Icenhower – I really think the Board needs to approve about calling the attorney out here.

Veach – Yes. And back years ago when I was on the Board, that's the way we did it.

Icenhower – Also, the Mayor needs to tag Sara.

Veach – Yeah. Communications go through Sara.

Roe – Well it helps..

Icenhower – In the past whenever the Mayor done it, Sara got an email.

Roe – Yeah. If the previous Mayor did the contact through email, he copied Sara.

Icenhower – We've spent \$7,622 and this is just the middle of August and this is since July 1.

Veach – Yeah, that's unacceptable.

Roe – That’s the reason I’m bringing this up.

Petty – Do we know the breakdown of meeting attendance versus contacting?

Roe – No I have not asked for that information.

Icenhower – Meeting attendance is \$195 an hour.

Davis – All of it is \$195 an hour so it doesn’t matter ...

Stewart – So she’s here for 3 hours and we get hit with a \$300 bill?

Davis – Correct.

Veach – So if she sits here and talks in circles then that just clicks over the meter.

Lord – That reminds me of another point too Mr. Roe. With the last attorney, we would give him, before the meeting obviously, what we were looking for, clarification or opinion and then try to get it towards the top of the agenda, then take care of it and then he would leave the meeting after that portion of it. Much like Larry just did. That stops the meter running, right?

Voorhis – That wasn’t John Housley, was it?

Lord – That was Housley. I sat through numerous meetings like that. It’s kind of a professional courtesy to them so we don’t have them on a weeknight out here late and it also probably softens our bill up a little bit because they’re free to go after whatever’s addressed.

Icenhower – Most of the things can be handled by making a phone call, getting an opinion and they can send it to you.

Lord – Yes.

Icenhower – They don’t have to attend to..

Lord – I guess the point that I’m trying to make is there’s no point paying the attorney to sit here for a two hour meeting to give us a 5 minute spill. That’s the easiest way to, in my opinion, handle it.

Icenhower – Most of the time she just says “I’ll get back with you” “I’m not sure, I’ll get back with you”.

Voorhis – Me and Dennis talked a lot about that.

Roe – We did. We talked through that a lot. So the process moving forward?

Stewart – I personally like the idea of, if we run across an item on the agenda and we really want the attorney’s opinion on it, then we just table it until the next meeting...

Veach – That’s what we used to do.

Stewart – Then if we think that lawyer needs to be there then we can vote on it at that meeting, like hey next meeting what do you guys think about bringing in the lawyer, vote on it then or have them give written response to us and the next meeting we vote on it based off of that written response.

Icenhower – I’m satisfied with that.

Veach – When I was on the Board before, we rarely had the attorney in here.

Icenhower – With all of the stuff that had been going on, we never got it shut down.

Veach – That’s the problem, yeah, that’s the problem.

Lord – I don’t see anything wrong with what Mark says.

Icenhower – I don’t either.

Petty – I agree.

Motion by Stewart that if we invite the lawyer to any of our meetings it will be off of the consensus of the Council at the meeting prior to. Seconded by Petty
Petty AYE, Roe AYE, Icenhower AYE, Stewart AYE, Lord AYE, Veach AYE

Icenhower – Now we going to have Sara call the attorney?

Roe – I think that’s understood.

Lord – I think so.

Stewart – Yes.

Roe – Yep, Sara will contact the attorney.

Adjournment

Motion by Roe to Adjourn at 6:19 p.m. Seconded by Veach
Petty AYE, Roe AYE, Icenhower AYE, Stewart AYE, Lord AYE, Veach AYE


Adjourned at 6:19 p.m.

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Sara Davis, City Clerk